GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2923
ANSWERED ON:24.07.2009
LOANS TO SUGAR MILLS QUESTION
Adhalrao Patil Shri Shivaji

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued instructions to the Public Sector Banks (RSBs) to implement sugar package by providing interest free loans to sugar mills;

(b) if so, the details thereof and the amount of interest free loan distributed to the sugar mills during the last three years in the country, state-wise;

(c) the names of the banks which have not implemented the said package; and

(d) the action taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): The Government of India had notified, on 07.12.2007, a `Scheme for extending financial assistance to sugar undertaking, 2007` with a view to improve their liquidity position for enabling them to clear cane price arrears of 2006-07 sugar season and cane price of 2007-08 sugar season relatable to Statutory Minimum Price for respective sugar season to the sugarcane farmers. Trie Scheme covered all sugar mills, which have been functional during 2006-07 and 2007-08 sugar seasons. The extent of loan granted is equivalent to the notional Central Excise duty payable on total production of sugar during 2006-07 and 2007-08 sugar seasons.

The scheme stipulates a provision of 12% per annum interest subvention to all Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks for the total duration of loan i.e. 4 years including 2 years moratorium.

The Data Reporting System of either Reserve Bank of India or National Bank for Agriculture and Rural Development do not generate data in respect of amount of interest free loan disbursed to the sugar mills during the last three years in the country, State-wise.

(c) & (d): The scheme is to be implemented by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks. There is no specific report of non-implementation of this package by any bank.